

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



September 3, 2002

ALL-COUNTY LETTER NO. 02-67

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

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|-------------------------------------|---|
| <input type="checkbox"/> | State Law Change |
| <input checked="" type="checkbox"/> | Federal Law or Regulation Change |
| <input type="checkbox"/> | Court Order or Settlement Agreement |
| <input type="checkbox"/> | Clarification Requested by One or More Counties |
| <input type="checkbox"/> | Initiated by CDSS |

SUBJECT: FOOD STAMP REAUTHORIZATION ACT OF 2002: MANDATORY
CHANGES EFFECTIVE OCTOBER 1, 2002

REFERENCE: ALL COUNTY INFORMATION NOTICE 1-56-02, PUBLIC LAW
107-171 OF MAY 13, 2002

The purpose of this letter is to transmit implementing instructions and proposed state regulations to County Welfare Departments (CWDs) regarding changes to the Food Stamp Program (FSP) resulting from the Food Stamp Reauthorization Act of 2002, which is part of the Farm Bill of 2002 (Public Law 107-171).

There is a 120 day quality control hold harmless period from the effective date of October 1, 2002 for the following mandatory provisions.

RESTORATION OF LEGAL NON-CITIZENS, P.L. 107-171, SEC.4401.

Federal benefits will be restored to three categories of legal non-citizens over a three-step phase-in process.

On October 1, 2002, P.L. 107-171 Sec. 4401 (a)(i) restores legal noncitizens who are disabled to federal benefits regardless of date of entry into the United States.

- The definition of "disability" under The Food Stamp Reauthorization Act of 2002 is blind or disabled (as defined in paragraph (2) or (3) of section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)). The USDA, Food and Nutrition Service (FNS) has instructed state agencies in Administrative Notice 02-39 that this means "receives blind or disability benefits". The FNS further instructs that the benefit program must use the same disability criteria as the Supplemental Security Income (SSI) program, in accordance with MPP Section 63-102e(1)(B through K). Note: CAPI meets this criteria.

IMPACT TO CURRENT RECIPIENTS.

The definition of disability for Legal non-citizens is more stringent than disability requirements for resource limits or exemptions from work registration requirements. MPP 63-405.134 previously required a physician's statement as verification of disability for qualified noncitizens. Although the regulations regarding noncitizens residing in the U.S. prior to August 22, 1996 have not changed, federal guidance regarding the restoration of noncitizens who arrived in the country on or after August 22, 1996 makes it clear that receipt of benefits is required rather than a physicians statement.

RESOURCE LIMIT FOR HOUSEHOLDS WITH A DISABLED MEMBER, P.L. 107-171, SEC. 4107.

The resource limit for households with a disabled member is raised from \$2,000 to \$3,000 to match that of households with an elderly member. The definition of disabled is different from that discussed in partial restoration of noncitizens. The disability definition is at MPP 63-102(e)(1)(B through K)

IMPACT TO CURRENT RECIPIENTS.

There is no impact to current recipients. However, applications that are received in the month of September 2002, which contain a disabled member and resources over \$2,000 but no more than \$3,000, and are otherwise eligible to food stamps, shall be denied for the current month of September 2002 and approved for the future month of October 2002. (MPP 63-503.14)

NEW STANDARD DEDUCTION STRUCTURE, P.L.107-171, SEC. 4103.

The Standard Deduction is restructured from one amount for all families to 8.31% of each year's poverty level based on household size, but not less than the current standard deduction of \$134.00 nor more than 8.31% of the poverty level for a household of six persons, even if household is larger than six persons.

The Standard Deduction for FFY 2003 is:

Household Size	Standard Deduction
1 to 4 persons	\$134.00
5 persons	147.00
6 or more persons	168.00

IMPACT TO CURRENT RECIPIENTS.

Approximately 14 percent of the cases in California will receive an increased Standard Deduction. After making the initial adjustments, CWDs will need to ensure that future household composition changes receive Standard Deduction adjustments as appropriate.

The proposed state regulations are attached and are in the process of being filed on an emergency basis with the Secretary of State. In the interim, CWDs should initiate action from this ACL and from the proposed regulations to implement the mandatory changes effective October 1, 2002.

If you have any questions regarding the above information, please contact Bill Mullinax of the Food Stamp Policy Development Unit at (916) 657-3418.

Original Document Signed By

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachment

Amend Section 63-403.1 to read:

63-403 CALIFORNIA FOOD ASSISTANCE PROGRAM (CFAP)

63-403

.1 Noncitizen eligibility

Certain legal noncitizens of the United States (U.S.) shall be eligible for CFAP if they are not eligible for federal Food Stamp (FS) benefits, based solely on their immigration status under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 as amended by the Food Stamp Reauthorization Act of 2002. Legal presence can be verified through INS at application [i.e. Systematic Alien Verification for Entitlements (SAVE) System]. Legal noncitizens whose time limit has expired for the federal program but would otherwise remain eligible for federal benefits are eligible for CFAP.
(Continued)

Authority Cited: Sections 10553 and 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 11320.3, 11495.12 and 18930 through 18934, Welfare and Institutions Code; Sections 18930, 18930(b)(4) (as amended by AB 429, Chapter 111, Statutes of 2001), 18930.5 and 18932, Welfare and Institutions Code (as amended by AB 1111, Chapter 147, Statutes of 1999); 7 CFR 273.4; Federal Register, Vol. 61, No. 202, dated 10/17/96; Federal Register, Vol. 52, No. 103, dated May 29, 1987; ~~and~~ USDA, Food and Consumer Service, Administrative Notice 97-105, dated August 21, 1997; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (as amended by Section 4401(a) of the Food Stamp Reauthorization Act of 2002).

Amend Section 63-405.134 to read:

63-405 CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS (Continued)

63-405

.1 (Continued)

.13 INDEFINITE FOOD STAMP ELIGIBILITY CRITERIA (Continued)

.134 ~~Was lawfully residing in the U.S. on August 22, 1996 and~~ Who is disabled or blind as specified in Section 63-102e.(1)(B), through (K), regardless of date of entry but not receiving SSI. Must show ~~physician's~~ verification of disability benefits. (Continued)

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 273.2(f)(1)(ii)(B)(2), (j)(3) and (4); 7 CFR 273.4(a)(2), (a)(4)(ii) and (iii), (a)(5)(ii)(2)(B) and (2)(G)(1), (C), (E), (F) and (G)(1), (a)(8), and (c)(2)(i); 7 CFR 273.10(b); 7 CFR 273.6; 7 CFR 273.11; U.S.D.A. Food and Nutrition Service Administrative Notice (AN) 92-30; Federal Register, Vol. 56, No. 233, page 63594; Federal Register, Vol. 62, No. 202, dated October 20, 1997; Public Law (P.L.) 100-202 and 100-461, P.L. 104-193, Section 402 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); P.L. 105-185, Title V, Sections 503 through 510; AN 96-47; AN 96-48 (Part A, page 6); AN 96-55; AN 97-02; AN 97-13; AN 97-44; AN 97-82; AN 97-103; AN 97-107; AN 98-13; AN 98-21; AN 98-28; AN 98-30; AN 98-79; AN 98-93; AN 99-01; ~~and~~ AN 99-24; and Section 4104, Food Stamp Reauthorization Act of 2002, P.L. 170-171.

Amend Section 63-409.122 to read:

63-409 INCOME AND RESOURCE MAXIMUMS

63-409

.1 Requirements for Participation (Continued)

.12 Maximum Resource Eligibility Standards (Continued)

- .122 For any household which includes one ~~member age 60 or older~~ elderly or disabled member, the resource limit shall be the amount specified in Handbook Section 63-1101.11.

Authority cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 273.2(j)(4); and Section 4107, Food Stamp Reauthorization Act of 2002, P.L. 170-171

Amend Section 63-502.31 to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)

63-502

.3 Income Deductions (Continued)

.31 Standard Deduction

.311 ~~The A~~ standard deduction is allowed ~~on a per~~ for each household; per month ~~basis~~. in an amount that is:

(a) Equal to 8.31 percent of the income standard of eligibility established under MPP Section 63-409.1; but

(1) not more than 8.31 percent of the income standard eligibility established under MPP Section 63-409.1 for a household of six members.

(b) The standard deduction for each household shall not be less than \$134.

Authority cited: Sections 10553, 10554, 11209, 18900, 18901 and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; Public Law (P.L.) 99-603, Section 201(a), Section 245A(h)(1)(A)(iii), Immigration Reform and Control Act; 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 100-77; P.L. 101-201; P.L. 101-508, Section 11111(b); P.L. 103-66, Section 5(c), (d) and (e) and Section 8(a); 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 273.1(c)(6); 7 CFR 273.4(a) and (c)(2); 7 CFR 273.7(f); 7 CFR 273.9; 7 CFR 273.9(b)(1), (b)(1)(v), (c), (c)(1)(i)(E), and proposed amended (c)(1)(ii) as published in the Federal Register, Vol. 59, No. 167, on August 30, 1994; (c)(1)(ii)(G), (c)(8), (c)(11)(i) and (ii), (d), (d)(6), and proposed (d)(7) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, 7 CFR 273.10(d)(1)(i) and (e)(1)(i)(H); 7 CFR 273.11(b)(1); 7 CFR 273.11(c), (d) and (d)(1) and (e); 7 CFR 273.21(j)(1)(vii)(A); 7 United States Code (U.S.C.) 2014(c), (d), (e), (k)(1)(B), and (k)(2)(F); 7 U.S.C. 2015(e); 7 U.S.C. 2017(a); 20 U.S.C. 2466d.; 26 U.S.C. 32(j)(5); P.L. 104-193, Sections 807, 808, 809, 811, and 829 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal Feb. 1, 1990) [Dock. No. CV-89-0768].); United States Department of Agriculture (U.S.D.A.) Food and Consumer Services (FCS) Administrative Notice (AN) 88-40, Indexed Policy Memo 88-10, dated April 20, 1988; U.S.D.A., FNS ANs 91-24, 91-30, 94-39, 94-41, dated April 19, 1994; ~~and~~ the July 8, 1988 district court order in Hamilton v. Lyng; and Section 4103, Food Stamp Reauthorization Act of 2002, P.L. 170-171.